

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:
Basalt Post Office
Basalt, ID 83218

Docket No. A2012-1

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(November 23, 2011)

On October 4, 2011, the Postal Regulatory Commission (Commission) received two appeals, both postmarked September 28, 2011, from postal customers Franklyn and Nancy Freeman and Paul and Joy Freeman (Petitioners). On October 7, 2011, the Commission received two appeals, postmarked September 29, 2011, and September 30, 2011, from postal customers Steven Ricks and Glenna J. Wetherby-Brug and Douglas Brug, respectively. The Commission received a third appeal, also on October 7, 2011, from postal customer Greg Anderson. That same day, the Commission issued Order No. 897, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). Thereafter, On October 13, 2011, the Commission received an appeal, from postal customer Gary Craft. In accordance with Order No. 897, the administrative record was filed with the Commission on October 19, 2011. The Petitioners subsequently filed four Participant Statements in support of the petition on November 4, 8, 10, and 14.

The appeal and the Participant Statement raise four issues: (1) the impact on the provision of postal services, (2) the impact upon the Basalt community, (3) the calculation of economic savings expected to result from discontinuing the Basalt Post

Office, and (4) the impact on employees. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration.

Accordingly, the determination to discontinue the Basalt Post Office should be affirmed.

Background

The Final Determination To Close the Basalt Post Office and Continue to Provide Service by Rural Route Service (“Final Determination” or “FD”)¹, as well as the administrative record, indicate that the Basalt Post Office provides EAS-11 level service to 133 general delivery and Post Office Box customers, and to retail customers 41.5 hours per week.² The postmaster of the Basalt Post Office retired on April 25, 2008. Since the postmaster vacancy arose, an employee from a neighboring office was installed as an officer-in-charge (“OIC”) to operate the office. The noncareer postmaster relief (“PMR”) serving as the OIC may be separated from the Postal Service, although attempts will be made to reassign the employee to a nearby facility.³ The average number of daily retail window transactions at the Basalt Post Office is 14, accounting for 18 minutes of workload daily. Revenue generally has been declining: \$16,216 in FY 2008 (42 revenue units); \$15,421 in FY 2009 (40 revenue units); and \$14,929 (39 revenue units) in FY 2010.⁴

¹ The Final Determination can be found at Item 47 in the Administrative Record. All citations to the Final Determination will be to “FD at _____,” rather than to Item 47. The FD page number refers to the pages as marked on the upper right of the document. Other items in the administrative record are referred to as “Item _____.”

² FD at 2; Item No. 18, (Form 4920) Post Office Closing or Consolidation Proposal Fact Sheet (“Fact Sheet”), at 1; Item No. 33, Proposal to Close the Basalt, ID Post Office and Continue to Provide Service by Rural Route Service (“Proposal”), at 2.

³ FD at 2; Item No. 33, Proposal, at 7.

⁴ FD, at 2; Item No. 18, Post Office Fact Sheet, at 1; Item No. 33, Proposal, at 2.

Upon implementation of the Final Determination, delivery and retail services will be provided by rural route delivery administered by the Firth Post Office, an EAS-15 level office located 1.4 miles away, which has 149 available Post Office Boxes.⁵ This service will continue upon implementation of the Final Determination.⁶

The Postal Service followed the proper procedures that led to the posting of the Final Determination. All issues raised by the customers of the Basalt Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal and Final Determination, customers received notice through other means. Questionnaires were distributed to all Post Office Box customers of the Basalt Post Office. Questionnaires were also available over the counter for retail customers at the Basalt Post Office.⁷ A letter from the Manager of Post Office Operations, Salt Lake City, Utah, was also made available to postal customers, which advised customers that the Postal Service was evaluating whether the continued operation of the Basalt Post Office was warranted, and that effective and regular service could be provided through rural route delivery and retail services available at the Firth Post Office. The letter invited customers to complete and return a customer questionnaire and to express their opinions about the service they were receiving and the effects of a possible change involving rural route delivery.⁸ Fifty-one (51) customers returned questionnaires, and the Postal Service

⁵ FD at 2; Item No. 7, Post Office Fact Sheet, at 1; Item No. 33, Proposal, at 2.

⁶ FD at 1, 2; Item No. 33, Proposal, at 1, 2.

⁷ FD at 2; Item No. 20, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Basalt Post Office, at 1.

⁸ Item No. 21, Letter to Customer, at 1

responded.⁹ In addition, representatives from the Postal Service were available at the Firth Grange Hall for a community meeting on April 22, 2011, to answer questions and provide information to customers.¹⁰ Customers received formal notice of the Proposal and Final Determination through postings at nearby facilities. The Proposal was posted with an invitation for public comment at the Basalt Post Office and the Firth Post Office for 60 days beginning May 26, 2011.¹¹ In the absence of responses to the “Invitation for Comments” after the Proposal was posted, see Item No. 40, Analysis of Comments, the Final Determination was posted at the same two Post Offices starting on September 15, 2011, as confirmed by the round-dated Final Determination cover sheets that appear in the administrative record as Items 36 and 49.

In light of the postmaster vacancy; minimal workload; low and decreasing office revenue;¹² the variety of delivery and retail options (including the convenience of rural delivery and retail service);¹³ no projected population, residential, commercial, or business growth in the area;¹⁴ minimal impact upon the community; and the expected financial savings,¹⁵ the Postal Service issued the Final Determination.¹⁶ Regular and effective postal services will continue to be provided to the Basalt community in a cost-effective manner upon implementation of the Final Determination.¹⁷

⁹ Item No. 22, Returned customer questionnaires and Postal Service response letters.

¹⁰ FD at 2; Item No. 21, Letter to Customer, at 1; Item No. 24; Community Meeting Roster; Item No. 1, Community Meeting Analysis; Item No. 25, Proposal, at 1, 2

¹¹ FD at 1, 7; Item No. 33, Proposal, at 1, 7; Item 36, Round –dated Proposal, at 4, 5.

¹² See note 5 and accompanying text.

¹³ FD at 6, 7; Item No. 33, Proposal, at 6, 7.

¹⁴ FD at 6; Item No. 16, Community Survey Sheet; Item No.33 Proposal, at 6.

¹⁵ FD at 6; Item No. 18, Post Office Fact Sheet, at 1; Item No. 29, Proposal Checklist, at 1; Item No. 33, Proposal, at 6

¹⁶ FD at 7.

¹⁷ FD at 1.

Each of the issues raised by the Petitioner is addressed in the paragraphs which follow.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Basalt Post Office on postal services provided to Basalt customers. The closing is premised upon providing regular and effective postal services to Basalt customers.

Petitioners, in their letters of appeal and in Participant Statements, raise the issue of the effect on postal services of the Basalt's Post Office's closing, noting the convenience of the Basalt Post Office and requesting its retention. As explained throughout the administrative record, replacement service will be provided to the Basalt community through rural route carrier service emanating from the Firth Office.¹⁸

With regard to Petitioner's concern about the need to travel to other Post Offices, upon the implementation of the Final Determination, delivery and retail services will be provided by rural route carrier service. The Postal Service explained that carriers can perform many functions (at the same time that the carrier delivers the mail) that alleviate the need to travel to nearby Post Offices for most transactions. FD at 2; Item No. 22, Returned customer questionnaires and USPS response letters, at 25, 33, 39, 40, 47, 52; Item 25, Community Meeting analysis, at 3 (Concern # 6); Item No. 33, Proposal, at 2. In addition to carrier service, customers may also receive delivery and services at the Firth Post Office, which is located 1.4 miles away. FD at 2, 7; Item No. 33,

¹⁸ FD at 1, 2, 7.

Proposal, at 2, 7. The window service hours of the Firth Post Office are from 8:30 a.m. to 4:30 p.m., Monday through Friday. FD, at 2; Item No. 33, Proposal, at 2.

Furthermore, the special attention and assistance provided by the personnel at the Basalt Post Office will be provided by personnel at the Basalt Post Office and from the carrier. FD at 2-7; Item No. 33, Proposal, at 2-7.

Petitioners also contend that they will have to travel to another town in order to purchase stamps or receive mail. However, customers do not have to make a special trip to the post office to pick up their mail or obtain retail services. As explained in the record, the service provided by the post office will be available through the rural route carrier. FD at. 4, 5; Item No. 22, Returned Customer Questionnaires and USPS response letters, at 25, 33, 39, 40, 47, 52; Item 25, Community meeting analysis, at 3 (Concerns # 6, 7); Item No. 33, Proposal, at 4, 5. More so, most transactions do not require meeting the carrier at the mailbox. FD at 4; Item No. 22, Returned Customer Questionnaires and USPS response letters, at 25, 33, 39, 40, 47, 52. Additionally, the Postal Service explained that it offers several convenient options that can save customers a trip to the Post Office and do not require interaction with a carrier, to include purchase of stamps by mail. FD at 5; Item No. 22, Returned Customer Questionnaires and USPS response letters, at 33; Item No. 33 Proposal, at 5.

The Petitioners also express concern for senior citizens and residents unable to drive to nearby communities. The record explains, however, that carrier service is beneficial to many senior citizens and those who face special challenges because they do not have to travel to the Post Office for service. FD at 3-4, 6; Item No. 22, Returned

Customer Questionnaires and USPS Response Letter, at 26, 28, 33, 35, 38, 40, 47; Item No. 33, Proposal, at 3-4, 6. When packages do not fit in the customers' mail box, the carrier will deliver the package up to ½ mile off the line of travel, at a designated place, such as the customer's porch or under carport. FD at 5; Item No. 33, Proposal, at 5. In hardship cases, delivery can be made to the home of a customer. FD at 4, 6; Item No. 22, Returned Customer Questionnaires and USPS Response Letter, at 26, 28, 33, 35, 38, 40, 47, 52; Item No. 33, Proposal, at 4, 6.

With respect to the Petitioners' concerns about mail security, the Postal Service advised customers that they may place a lock on their mailboxes. The mailbox must have a slot large enough to accommodate the customer's normal daily mail volume. FD at 3; Item No. 22, Returned Customer Questionnaires and USPS Response Letters, at 37; Item 23, Analysis of Questionnaires, at 3 (Comment #12); Item 25, Community Meeting Analysis, at 3 (Concern # 4); Item 33, Proposal, at 3. Moreover, the record indicates that there was one report of mail theft or vandalism in the area. Item 14, Inspection Service/Local Law Enforcement Vandalism Reports, at 2. As such, there appears to be a minimal risk that the security of customers' mail will be impacted by the closing of the Basalt Post Office.

Petitioners also argue that the Postal Service is "punishing" the Basalt community because the Basalt Post Office does not have a postmaster. See Petition for Review, Received from Gary W. Craft. Contrary to Petitioners' contentions, the Postal Service correctly considered the postmaster vacancy as well as the minimum workload; low and decreasing revenues; variety of delivery and retail options; no

projected population, residential, commercial, or business growth; minimal impact upon the community; and expected financial savings in its decision to discontinue service at the Basalt Post Office. FD. at 2, 6, 7; Item No. 16, Community Survey; Item No. 18, Post Office Fact Sheet, at 1; Item No. 29, Proposal Checklist, at 1; Item No. 33, Proposal, at 2, 6, 7.

Thus, the Postal Service has properly concluded that all Basalt customers will continue to receive regular and effective service.

Effect Upon the Basalt Community

The Postal Service is obligated to consider the effect of its decision to close the Basalt Post Office upon the Basalt community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

Basalt is an unincorporated rural community located in Bingham County. The community is administered politically by the City of Basalt. The Bingham County Sheriff provides police protection. Fire protection is provided by the Shelley/Firth Fire Department. FD at 7; Item No.16, Community Survey Fact Sheet; Item No. 1, Proposal at 7. The community is comprised of retired people and farmers, and those who commute to work at nearby communities. FD, at 7; Item No. 16, Community Survey Sheet, at 1; Item No. 33, Proposal at 7.

Petitioners express concern about the effect of closing the Basalt Post Office upon the Basalt community. More specifically, Petitioners contend that the Basalt Post Office is the hub of the community, and that the discontinuance of this Post Office will result in a loss of community identity. However, the Postal Service explained that a community's identity derives from the interest and vitality of its residents and their use of its name. The record makes clear that the Postal Service is addressing this concern through preservation of the community identity by continuing the use of the Basalt Post Office name and ZIP Code in addresses. FD at 6; Item No. 22, Returned Customer Questionnaires and USPS Response Letter, at 25, 30, 31, 34, 39, 40, 47; Item No. 23, Analysis of Questionnaires, at 4 (Nonpostal Concern # 1); Item No. 25, Community Meeting Analysis, at 2 (Nonpostal Concern #1); Item No. 33, Proposal at 6.

Petitioners also assert that the closing of the Basalt Post Office will leave residents without a place to meet, ,socialize, and exchange information. However, as the Petitioners concede, and the Administrative Record reflects, residents may continue to meet informally, socialize, and share information at a church located within the Basalt Community. Item No. 18, Post Office Fact Sheet, at 1; See Participant Statement from Glenna J. Wetherby-Brug and Douglas Brug. Moreover, questionnaires reveal that the Basalt Post Office customers leave the community for their social and personal needs. See generally, Item No. 22, Returned Customer Questionnaires and USPS Response Letters.

Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Basalt Post Office on the community served by the Basalt Post Office.

Economic Savings

Postal officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that rural route carrier service would cost the Postal Service substantially less than maintaining the Basalt Post Office and would still provide regular and effective service. FD at 7; Item No. 17, Alternate Service Options/Cost Analysis, at 2; Item No. 33, Proposal, at 7. The estimated annual savings associated with discontinuing the Basalt Post Office are \$ 37,201. FD at 7; Item No. 33, Proposal, at 7. Economic factors are one of several factors that the Postal Service considered, and economic savings have been calculated as required for discontinuance studies, which is noted throughout the administrative record and consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv). FD at 7; Item No. 33, Proposal, at 7.

In their Participant Statements, Petitioners allege that listed economic savings are incorrect and misleading. See generally Petitions for Review, Participant Statements. The responsible personnel are familiar with the costs of replacement service and relied upon their experience to make the calculation here. The Postal Service has every reason to believe that the calculation in the record is accurate,¹⁹ and the Petitioner does not provide a reason to believe otherwise.

¹⁹ This calculation is very much in line with similar calculations in other recent discontinuance cases.

Petitioners' challenge the labor costs in the savings calculation, in light of the fact that the OIC operating the Basalt facility ""only"" receives an hourly wage with no benefits. See Participant Statement of Steven Ricks; see also Participant Statement Greg Anderson. To the extent that the Petitioners assert that the Postal Service should not have used a career Postmaster's salary in the economic saving calculation because the Basalt Post Office has been operated with OICs for approximately three years, this argument is unavailing. FD at 2, 6; Item No. 33, Proposal, at 2, 6. The economic savings calculation conducted as apart of a discontinuance study is forward-looking; that the Postal Service may have paid less in salary and benefits over the past years does not mean that it could count on those savings annually in the future. If the Basalt Post Office closes, one career slot will be eliminated. If the Post Office is not discontinued, that slot would have been filled with a career employee, and the salary and benefits to be paid would be as shown for a postmaster. Thus, it was appropriate to use a career Postmaster's salary in the calculation because the career position would have ultimately been filled if the Basalt Post Office had not been identified as a candidate for discontinuance.

Additionally, Petitioners challenge the FD on the grounds that only a small amount of savings will be achieved by discontinuing the Basalt Post Office. See generally Petitions for Review, Participant Statements. In a letter of appeal, Petitioners state that the savings achieved by closing the Basalt Post Office would be about one percent of the Postal Service's operational budget. See Petitioner for Review Received from Franklyn and Nancy Freeman. While the savings may seem insignificant, it is

significant to the overall focus on efficiency. The Postal Service is looking at all opportunities to operate efficiently and provide effective and regular service. While the savings from any given initiative may seem small, these savings can make a difference when added together with other initiatives.

Petitioners suggest that the Postal Service should not discontinue service at the Basalt Post Office because there is a possibility that legislation could provide funding and eliminate the need for the discontinuance. Here, however, the Postal Service considered the effect on the community, the effect on employees, and economic savings in determining that it should close the Basalt Post Office, and the findings in the record militate in favor of the FD's conclusions. FD at 6-7; Item No. 33, Proposal, at 6-7.

Effect on Employees

As documented in the record, the impact on postal employees is minimal. The postmaster was retired on April 25, 2008. A noncareer employee from a neighboring office was installed as the temporary officer-in-charge (OIC). The noncareer PMR serving as the OIC may be separated from the Postal Service, although attempts will be made to reassign the employee to a nearby facility. The record shows that no other employee would be affected by this closing. FD at 6; Item No. 15, Post Office Survey Sheet, at 1; Item No. 33, Proposal, at 6.

One of the Petitioners expresses concern for the PMR, assuming that the PMR would be out of a job. Participant Statement from Glenna J. Wetherby-Brug and Douglas Brug. The Postal Service did consider the impact of the closing on the PMR.

However, the PMR who served at the Basalt Post Office was a noncareer employee. FD at 2; Item No. 33, Proposal, at 7. The Postal Service regrets any negative impact that this closing has on the PMR, but, as the record reflects, the Postal Service will make efforts to reassign her to another position nearby. FD at 2, 6; Item No. 15, Post Office Survey Sheet, at 1; Item No. 33, Proposal, at 2, 6. The Postal Service understands and is sympathetic to the Petitioners' concern, but is also charged with responsibility to promote efficiency of operations. Consequently, this concern does not outweigh the other considerations cited in support of the Final Determination.

Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Basalt Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Basalt Post Office on the provision of postal services and on the Basalt community, as well as the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to the Basalt Post Office customers. FD at 2. The Postal Service respectfully submits that this conclusion is consistent with and supported

by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). The Postal Service's decision to lose the Basalt Post Office should, accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the Basalt Post Office be affirmed.

Respectfully submitted,

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